

Local Pension Board – Amendment of Terms of Reference

Report to:

Investment & Finance Board.....
Local Pension Board
Commissioner's Board
London Fire Commissioner

Date:

28 November 2024
12 December 2024
8 January 2025

Report by:

Adrian Bloomfield – Assistant Director Finance

Report classification:

For decision

For publication

I agree the recommended decision below.



Andy Roe
London Fire Commissioner

**This decision was remotely
Date signed on 16 January 2025**

PART ONE

Non-confidential facts and advice to the decision-maker

Executive Summary

This report seeks agreement for the London Fire Commissioner to amend the Local Pension Board's Terms of Reference to allow Group Commanders to be eligible as employer representatives as Board members.

Proposed decision

That the London Fire Commissioner approves the amended Terms of Reference of the Local Pension Board set out in Appendix 1 to the report to include Group Commanders as being eligible to be employer representatives on the Local Pension Board.

1 Introduction and background

- 1.1 The Local Pension Board (LPB) was established on 26 March 2015 by decision of the previous London Fire & Emergency Planning Authority (LFEPA) (FEP 2429), as required under the Firefighters Pension Scheme (Amendment) (Governance) Regulations 2015 ('the Regulations'). The purpose of the LPB is set out in paragraph 1 of the Terms of Reference (Appendix 1).
- 1.2 The LFC took a decision on 19 April 2022 to revise the LPB's Terms of Reference. A report, LFC-0694, Terms of Reference of the Local Pension Board, revised the membership numbers of the Board from five employer and five employee members to four employer and four employee members.
- 1.3 On 17 March 2023 a LFC decision was taken on report LFC-23-030 (The Pensions Regulator Relationship Review of the LFC's Firefighters' Pension Scheme and establishing an Independent Chair for the Local Pensions Board) to agree to an independent Chair for the Board.
- 1.4 Currently, the four employer representatives comprise of officers who are members of the Top Management Group who are appointed by the Commissioner. Employer representatives must have the capacity and understanding to represent the Commissioner's role as an employer on the Board. Due to other conflicting priorities for Board members it has at times proved difficult to obtain a quorum for LPB meetings, especially on the employer side. It is therefore considered practical to open up the selection of employer representatives to include the rank of Group Commanders.

- 1.5** Group Commanders (GCs) are considered senior officers who are able to fulfil the duties of the role as a LPB member representing the employer on the Board. The benefits of this are that it will increase the number of officers available to be selected for the Board. It will also allow GCs to gain Board level experience which should be beneficial to them. In addition, this would allow for a bigger field of suitable officers to potentially enhance diversity and inclusion among the Boards own representatives. This was a recommendation of The Pension Regulator (TPR) to be considered following where TPR undertook relationship supervision with the London Fire Commissioner (LFC) on the arrangements in place for the management of the Firefighters' Pension Schemes.
- 1.6** Appendix 1 incorporates the recommended amendments to the Terms of Reference. The only changes are to paragraph 4, and paragraph 6.

2 Objectives and expected outcomes

- 2.1** The objective of the recommendation within this report, and therefore the expected outcome, is to reduce the likelihood of LPB meetings being inquorate, and so to increase the effectiveness of the LPB, with negligible impact on the functioning of the LPB.

3 Values Comments

- 3.1** The LFC notes the Fire Standards Board requirements around adopting and embedding the Core Code of Ethics at an individual and corporate level. Following extensive engagement, the LFC has introduced Brigade values which build on and do not detract from the Code of Ethics.

- 3.2** The Brigade values are:

- Service: we put the public first
- Integrity: we act with honesty
- Teamwork: we work together and include everyone
- Equity: we treat everyone fairly according to their needs
- Courage: we step up to the challenge
- Learning: we listen so that we can improve

- 3.3** The reports seeks to amend the Terms of Reference for the LPB. The LPB is a statutory requirement to advise on pension related matters to the Commissioner as the LFC scheme manager and it's members are required to act with integrity in the public service.

4 Equality Comments

- 4.1** The LFC and the Deputy Mayor for Planning, Regeneration and the Fire Service are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were

reached.

- 4.2** It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 4.3** The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 4.4** The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:
- eliminate discrimination, harassment and victimisation and other prohibited conduct.
 - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
 - foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 4.5** Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic.
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 4.6** The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 4.7** Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- tackle prejudice
 - promote understanding.
- 4.8** An Equality Impact Assessment has not been undertaken in preparing this report as it is not considered that the recommended changes will have any discernible impact on the functioning of the LPB. In addition, there is currently no formal selection process to determine Local Pension Board members, certainly on the employer's side. If such a process is created, an Equalities Impact Assessment will be undertaken at that point.

5 Other considerations

Workforce comments

5.1 Staff side are represented on the Local Pension Board and so will have an opportunity to comment on this report at the LPB meeting on 12 December 2024.

Sustainability comments

5.2 There are no sustainability implications for this report.

Procurement comments

Communications comments

5.3 There are no communication implications for this report.

6 Financial comments

6.1 The report is by the Assistant Director of Finance so there are no further comments.

7 Legal Comments

7.1 Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Section 1 of the Fire and Rescue Services Act 2004 states that the Commissioner is the fire and rescue authority for Greater London.

7.2 The Local Pension Board was established under the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015. The Public Service Pensions Act 2013 introduces the framework for the governance and administration of public service schemes and provides an extended regulatory oversight by the Pension Regulator.

7.3 The Pension Regulator's Code of Practice No. 14 (Governance and administration of public service pension schemes) sets out the legal requirements for public service pension schemes as well as the standards of conduct and practice of the Local Pension Board. The information within this report is in accordance with the legislation and associated Code of Practice.

List of appendices

Appendix	Title	Open or confidential*
1	LPB Terms of Reference	Open

Part two confidentiality

Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part Two form, together with the legal rationale for non-publication.

Is there a Part Two form: NO

Local Pension Board – Terms of Reference

Purpose

1. The purpose of the Local Pension Board ('the Board') is to assist the London Fire Commissioner ('the Commissioner') in their role of Scheme Manager:
 - a. To secure compliance with legislation relating to the governance and administration of the firefighters' pension schemes (the schemes), and any requirements imposed by the Pensions' Regulator in relation to the firefighters' pension schemes; and
 - b. To ensure the effective and efficient governance and administration of the firefighters' pension schemes.
2. The Board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions, e.g. (1) request relevant information from the Commissioner's officers responsible for the administration of the schemes; (2) make recommendations in respect of the administration of the schemes.
3. The Board has no executive authority in respect of the administration of the firefighters' pension schemes.

Membership

4. The membership of the Board will be:
 - a. Four employer representatives, comprising officers of the Commissioner who are members of the Top Management Group or Group Commanders, appointed by the Commissioner. Employer representatives must have the capacity and understanding to represent the Commissioner's role as an employer on the Board.
 - b. Four employee representatives, comprising three nominated by the Fire Brigades Union and one nominated by the Fire Officers Association. Employee representatives must have the capacity and understanding to represent all scheme members on the Board.
 - c. An independent chair to be appointed by the London Fire Commissioner.
5. Prospect may nominate one representative to be an observer at Board meetings with speaking rights.
6. Board members may be represented by a previously named substitute at Board meetings when necessary. Substitutes for employee representatives must be members of the corresponding trade union, and employer representatives must be members of the Commissioner's Top Management Group or Group Commanders. The number of named substitutes available will be no greater than the number of Board members for which the category of Board member has nomination rights on the Board. Named substitutes must comply with the Board's Terms of Reference provisions in relation to Conflicts of Interest, and when fulfilling duties in relation to the Board as a substitute they are subject to the same obligations as Board members. Amendments to Board members or the named substitutes must be approved by the Commissioner.
7. Board members must always act in the interests of the schemes, and not seek to promote the interests of any stakeholder group above another.
8. The Chair shall be appointed by the London Fire Commissioner for a period of four years.

9. The Director for Corporate Services, the General Counsel, and the Director of Pensions of the London Pensions Fund Authority, or their nominated representatives, will be standing advisers to the Board.
10. The term of office of Board members shall be three years, which may be renewed. Nominations for membership must be received by the Commissioner one month before a member's tenure expires. The Commissioner shall have the power to replace Board members between appointments. A Board member may be replaced as a result, for example, of a conflict of interest, or no longer being available to carry out the functions of a Board member.
11. Board members are subject to, and must abide by, relevant codes of conduct. Board members must maintain appropriate confidentiality in respect of any matter related to their duties.
12. Board members will be entitled to claim reasonable out-of-pocket expenses incurred through discharging their Board responsibilities.

Knowledge and Understanding (including Training)

13. Knowledge and understanding must be considered in light of the role of the Board to assist the Commissioner as detailed above. The Board will designate a person to establish and maintain a policy and framework to address the knowledge and understanding requirements that apply to Board members. The policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed, and updated.
14. Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's knowledge and understanding policy and framework.
15. Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

Conflict of interest

16. No Board member shall have a conflict of interest, i.e., a financial or other interest which is likely to prejudice the member's exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).
17. All members of the Board must declare to the Commissioner on appointment and at any such time as their circumstances change any potential conflict of interest arising as a result of their position on the Board.
18. On appointment to the Board and following any subsequent declaration of potential conflict, the Commissioner shall ensure that any potential conflict is effectively managed in line with both their internal procedures and the requirements of the pensions regulator's codes of practice on conflict of interest for Board members.

Frequency and conduct of meetings

19. The Board will meet four times a year. The Chair may call other meetings as necessary.
20. The meeting will only be quorate when at least 50 per cent of the employer representatives, and at least 50 per cent of the employee representatives are present.
21. The Board should aim to reach decisions by consensus. Where consensus is not achieved, this should be accurately recorded by the Chair, reflecting the outcome of the debate.

Amendment to the Terms of Reference

22. These terms of reference may be amended by regulation or in consultation with the Board by the Scheme Manager.

Contact the Local Pension Board

If you have any queries about the Board's terms of reference, please contact the London Fire Commissioner's team at governance@london-fire.gov.uk